Hong Kong Data Center - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-01-16 | 193 pages | Mordor Intelligence

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Report description:

Hong Kong Data Center Market Analysis

The Hong Kong data center market was valued at USD 4.12 billion in 2025 and estimated to grow from USD 4.9 billion in 2026 to reach USD 11.64 billion by 2031, at a CAGR of 18.89% during the forecast period (2026-2031). IT load capacity increase, from 1.09 GW to 1.36 GW at a 4.54% CAGR is projected over the forecast period. The market segment shares and estimates are calculated and reported in terms of MW. Revenue growth is running far ahead of the underlying IT load capacity increase indicating that operators are successfully capturing higher per-megawatt pricing through premium interconnection, latency-critical services, and sustained capacity scarcity. Demand is underpinned by Smart City Blueprint programs that accelerate enterprise cloud adoption, hyperscale build-outs that seek dual-jurisdiction reach into mainland China, and the city's unmatched density of submarine-cable landings. Barriers to entry, including soaring land costs, multi-year power allocation cycles, and strict environmental limits, have reinforced incumbent pricing power while spurring investment in vertical construction, liquid cooling, and renewable energy sourcing to boost rack-level economics and sustainability credentials.

Hong Kong Data Center Market Trends and Insights

Government Smart City Blueprint Accelerates Cloud Adoption

The Smart City Blueprint 2.0 has shifted enterprise strategies from on-premises to hybrid cloud architectures, driving up colocation and gateway demand as firms pursue state-mandated digital services. Government procurement via GovCloud set security benchmarks that private companies now mirror, multiplying demand across finance, logistics, and manufacturing. The framework for cross-border data collaboration positions Hong Kong facilities as dual-jurisdiction nodes for the expansion of the Greater Bay Area, reducing compliance risk and encouraging multi-year contracts. Per-rack revenue density has risen because enterprises consolidate mission-critical loads in territory-based facilities that guarantee regulatory clarity. The program's emphasis on IoT and digital mobility also fuels edge-computing requirements inside Hong Kong borders, giving operators scope to monetize micro-edge suites at premium price points.

Increasing Submarine-Cable Landings Elevate Connectivity

With 14 intra-Asian cables, 11 of which terminate inside commercial facilities, Hong Kong enjoys interconnection economics that its competitors cannot match. SUNeVision hosts nine of those landings, capturing inter-metro traffic and cross-connect fees that push per-megawatt revenues well beyond regional averages. Fresh trans-Pacific and intra-Asia Pacific routes have expanded international bandwidth, enabling differentiated services such as dedicated cloud connectivity and private WANs that command higher gross margins. Early-stage cable-landing investments secure first-mover rights to hyperscale capacity reservations, anchoring long-term wholesale deals. This infrastructure density also future-proofs Hong Kong for Belt and Road digital flows and reinforces customer stickiness by providing low-latency, multiple-route redundancy, which is unavailable elsewhere in the region.

Escalating Real-Estate Prices Constrain Greenfield Expansion

Hong Kong's land prices rank among the world's highest, forcing operators toward vertical builds and ultra-high power densities that inflate capex and engineering complexity. Industrial plots in Tseung Kwan O command premium valuations; alternative districts face zoning hurdles, further tightening supply. Incumbents with legacy holdings enjoy a structural advantage, as illustrated by SUNeVision's 1.2 million square feet of development pipeline. For new entrants, acquisition costs and requisite high utilization to break even elevate financial risk, encouraging market consolidation rather than fresh competition.

Other drivers and restraints analyzed in the detailed report include:

Surge in Hyperscale Build-Outs by Global Cloud ProvidersRobust Demand from Fintech and Virtual Banks for Low-Latency HostingLengthy Power-Allocation Approval Cycles Delay Projects

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Large facilities, commanding 38.20% of 2025 revenue, continue to anchor the Hong Kong data center market as enterprises migrate to consolidated environments that yield economies in power, cooling, and carrier cross-connects. Medium-sized sites, however, post the quickest trajectory at 6.32% CAGR, meeting hybrid-cloud firms' need for "right-sized" footprints with lower capital outlay. The Hong Kong data center market share for mega and massive campuses remains constrained by grid allocation bottlenecks; however, operators pursuing campus-style builds across adjacent lots effectively aggregate capacity to satisfy hyperscale reservations.

The shift to AI and machine-learning workloads favors large and mega designs capable of integrating liquid-cooling manifolds and 50-100 kW rack densities. Small facilities, often legacy telecom exchanges, cede market share as tenants opt for higher-tier environments that offer multi-cloud on-ramps and richer carrier fabrics. The aggregate Hong Kong data center market size for large facilities is projected to expand steadily; however, pricing power is likely to remain strongest in high-density halls where specialized infrastructure is scarce.

Tier 3 sites held a 64.70% revenue share in 2025, reflecting the enterprise's appetite for concurrently maintainable infrastructure without the full cost of fault-tolerant Tier 4 designs. The Hong Kong data center market size tied to tier 4 is gaining at a 3.92% CAGR as virtual banks, exchanges, and crypto-custody platforms pursue zero-downtime mandates. Tier 1-2 footprints continue to contract, pressured by customer preferences for higher availability and by rigid regulatory requirements in finance and healthcare.

Operators are investing in modular redundancy upgrades to elevate older halls from Tier 2 to Tier 3, thereby preserving asset value and extending lease terms. Tier 4 expansion is capital-intensive due to the need for duplicated feeds, chilled-water systems, and mechanical-electrical plumbing; however, operators can charge premium occupancy rates. Market differentiation increasingly hinges on live demonstration of fault-isolation testing that proves true Tier 4 performance.

The Hong Kong Data Center Market Report is Segmented by Data Center Size (Large, Massive, Medium, Mega, and Small), Tier Type (Tier 1 and 2, Tier 3, and Tier 4), Data Center Type (Hyperscale/Self-built, Enterprise/Edge, and Colocation), End User (BFSI, IT and ITES, E-Commerce, Government, Manufacturing, and More), and Hotspot (Tseung Kwan O, Tseun Wan, and More). The Market Forecasts are Provided in Terms of IT Load Capacity (MW).

List of Companies Covered in this Report:

SUNeVision Holdings Limited Equinix, Inc. Goodman Group NTT DATA Corporation Towngas Telecommunications Company Limited Global Switch Holdings Limited Digital Realty Trust, Inc. Vantage Data Centers, LLC Google LLC Super Effort Technology Limited International Business Machines Corporation AirTrunk Operating Pty Ltd China Mobile International Limited OneAsia Network Limited iTech Tower

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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